## REMARKS

Claims 1-7, 9-14, 16-19, 21-24 and 26-31 are now pending in the application.

The Examiner is respectfully requested to reconsider and withdraw the rejection(s) in view of the amendments and remarks contained herein.

## REJECTION UNDER 35 U.S.C. § 102

Claims 1-27 stand rejected under 35 U.S.C. § 102(e) as being anticipated by the Bowen patent (U.S. Pat. No. 6,464,608). This rejection is respectfully traversed.

It is the Applicant's position that the Examiner has misinterpreted the relevance of the Bowen patent in regard to each of the independent claims, which have been amended to clarify the distinctions. In particular, FIG. 2 of the Bowen patent illustrates a transfer case (20) having:

- a) an input shaft (74);
- b) a rear output shaft (50);
- c) a front output shaft (40);
- d) a transfer unit (60);
- e) an input clutch (52) for coupling input shaft (74) to rear output shaft (50);
- f) a first gearset (58) having a first input (112) and a first output (116,84).
- g) a second gearset (56) having a second input (82) driven by the first output (116,84) and a second output (88) driving both the rear output shaft (50) and the transfer unit (60);
- h) a transfer clutch (62) for coupling transfer unit (60) to front output shaft (40); and
- i) an electric motor (22) for driving the first input (112).

As such, the Bowen patent teaches that the powertrain and motor both drive the primary

(rear) output shaft while the transfer clutch (62) is the only means of transmitting drive

torque to the front output shaft.

In contrast, the Applicant's invention as claimed permits the electric motor to

drive the front wheels independently of the drive torque transferred by the powertrain to

the rear wheels. In fact, this distinction was noted in your Notice of Allowance in the

parent case (now U.S. Patent No. 6,648,785). Accordingly, the Bowen patent does not

function to anticipate or render obvious the novel arrangement now claimed.

CONCLUSION

It is believed that all of the stated grounds of rejection have been properly

traversed, accommodated, or rendered moot. Applicant therefore respectfully requests

that the Examiner reconsider and withdraw all presently outstanding rejections. It is

believed that a full and complete response has been made to the outstanding Office

Action, and as such, the present application is in condition for allowance. Thus, prompt

and favorable consideration of this amendment is respectfully requested.

Examiner believes that personal communication will expedite prosecution of this

application, the Examiner is invited to telephone the undersigned at (248) 641-1240.

Respectfully submitted,

Dated: September 30, 2004

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